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REPORT TO THE COMMITTEE
ON THE DISTRICT OF COLUMBIA AND
THE SUBCOMMITTEE ON THE DISTRICT
OF COLUMBIA,
COMMITTEE ON APPROPRIATIONS,
UNITED STATES SENATE

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Controls Over Funds Available To The
District Of Columbia Public Schools

B-118638

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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OCT. 31, 1972



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-118638

2 Addressees

C1 R Dear Mr. Chairman:

1 This is our report on the controls over funds available to the District of Columbia public schools. The review was made in response to your letter dated July 2, 1971. D-211

We have not obtained written comments from the public schools or the District of Columbia Government on the matters discussed in this report.

C2 This report is also being sent today to the Chairman of the Subcommittee on the District of Columbia, Committee on Appropriations, United States Senate. Also, as agreed with your office, a copy of this report will be made available to the Committee on the District of Columbia, House of Representatives. S. 304 H. 21

We plan to make no further distribution of this report unless copies are specifically requested, and then only after your agreement has been obtained or public announcement has been made concerning its contents.

Sincerely yours,

James P. Stacks

Comptroller General
of the United States

The Honorable Thomas F. Eagleton
Chairman, Committee on the
District of Columbia
United States Senate S. 300



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-118638

Dear Mr. Chairman:

This is our report on the controls over funds available to the District of Columbia public schools. The review was made in response to a request dated July 2, 1971, by your predecessor chairman.

We have not obtained written comments from the public schools or the District of Columbia Government on the matters discussed in this report.

This report is also being sent today to the Chairman of the Committee on the District of Columbia, United States Senate. Also, as agreed with your office, a copy of this report will be made available to the Committee on the District of Columbia, House of Representatives.

We plan to make no further distribution of this report unless copies are specifically requested, and then only after your agreement has been obtained or public announcement has been made concerning its contents.

Sincerely yours,

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General
of the United States

The Honorable Birch Bayh
Chairman, Subcommittee on the
District of Columbia
Committee on Appropriations
United States Senate

CS-304

C o n t e n t s

		<u>Page</u>
DIGEST		1
CHAPTER		
1	INTRODUCTION	5
	Status of accounting system	6
2	FUND CONTROL ACCOUNTS AND RELATED REPORTS	8
	Conclusions	10
3	DEFICIENCIES IN ACCOUNTING DATA AND IN FUND CONTROL	11
	Inaccurate salary charges	11
	Conclusions	14
	Delay in recording obligations	15
	Conclusions	16
	Inadequate control over funds	17
	Conclusions	19
	Need to exercise basic fund control techniques	20
	Anti-Deficiency Act violations	22
	Conclusions	24
	Internal audit	25
	Conclusions	25
4	ACTIONS TAKEN FOR IMPROVING THE FINANCIAL MANAGEMENT SYSTEM	27
	Price Waterhouse review	27
	Elmer Fox and Company review	29
	Office of Municipal Audits review	29
	Conclusions	30
APPENDIX		
I	Letter dated July 2, 1971, from the Chairman of the Senate Committee on the District of Columbia and the Chairman of the Subcom- mittee on the District of Columbia, Senate Committee on Appropriations, to the Comp- troller General	31

APPENDIX

Page

II	Status of fiscal year 1971 appropriated funds as of June 30, 1971, as reported by the Central Accounting Office and by the DCPS Accounting Office	32
III	Status of fiscal year 1971 Federal grant funds as of June 30, 1971, as reported by the Central Accounting Office and by the DCPS Accounting Office	33
IV	Status of the Superintendent's objectives for improving the financial management in DCPS as reported by the Superintendent on January 28, 1972	34
V	Price Waterhouse memorandums sent to the Superintendent of DCPS	35

ABBREVIATIONS

GAO	General Accounting Office
DCPS	District of Columbia public schools
HEW	Department of Health, Education, and Welfare
ESEA	Elementary and Secondary Education Act of 1965

COMPTROLLER GENERAL'S REPORT
TO THE COMMITTEE ON
THE DISTRICT OF COLUMBIA
AND THE SUBCOMMITTEE ON
THE DISTRICT OF COLUMBIA
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

CONTROLS OVER FUNDS AVAILABLE
TO THE DISTRICT OF COLUMBIA
PUBLIC SCHOOLS B-118638

D I G E S T

WHY THE REVIEW WAS MADE

The Chairman of the Senate Committee on the District of Columbia and the Chairman of the Subcommittee on the District of Columbia, Senate Committee on Appropriations, asked the General Accounting Office (GAO) to review the expenditure of funds by the District of Columbia public schools (DCPS) to determine

- program funding sources,
- the extent that Federal funds were used to support each program activity,
- the way in which expenditure controls were deficient,
- the actions being taken to improve expenditure controls, and
- the changes needed in the methods of expenditure control.

As agreed with the Chairmen's offices, GAO evaluated the effectiveness of the District's and DCPS's control over funds for fiscal year 1971.

Background

In fiscal year 1971 DCPS received an appropriation from the Congress of about \$140 million and grants from Federal agencies of about \$20 million, principally from the Depart-

ment of Health, Education, and Welfare. The DCPS appropriation represents about 22 percent of the funds made available by the Congress for the operation of the District of Columbia Government.

The Comptroller General approved the statement of accounting principles and standards for the District of Columbia Government on February 18, 1972. This statement excluded the DCPS internal accounting operations because it is not under the administrative direction of the Commissioner of the District of Columbia Government. In approving the statement, the Comptroller General indicated that DCPS could either adopt the principles and standards for the District Government or submit separate statements for approval by the Comptroller General.

As of July 31, 1972, DCPS had not adopted the approved accounting principles and standards for the District Government pending the resolution of certain modifications which DCPS had requested.

FINDINGS AND CONCLUSIONS

The District's Office of Budget and Financial Management and DCPS did not exercise effective fund control.

Allotments made by DCPS in fiscal year 1971 were not aligned with the

OCT. 31, 1972

budget approved by the Congress. DCPS could not provide information to enable GAO to determine whether the funds had been budgeted or used as the Congress intended.

The allotments made by DCPS did not agree with the corresponding allotments made by the Office of Budget and Financial Management. This Office is responsible for making apportionments and allotments to DCPS and for maintaining allotment control accounts. Beginning in fiscal year 1973, DCPS plans to align its allotments directly with the approved budget. (See pp. 8 and 9.)

Salary costs were charged to incorrect funds, allotments, and activities. DCPS miscoded about 9 percent of the payroll documents. Salary costs for 1971 amounted to about \$134 million. (See pp. 11 to 14.)

Obligations totaling about \$1.2 million were not promptly charged against the proper allotments. (See pp. 9 and 15.)

The District's official financial report for fiscal year 1971 showed that obligations incurred exceeded the amounts apportioned to DCPS by about \$195,000. Thus the Anti-Deficiency Act (31 U.S.C. 665) was violated. Also, obligations totaling about \$169,000 for goods and services received in fiscal year 1971 were charged against and paid with fiscal year 1972 appropriated funds. These actions involving the \$169,000 constituted a further violation of the Anti-Deficiency Act and were also contrary to section I of the act of July 6, 1949 (31 U.S.C. 712a). (See pp. 22 and 23.)

The District Central Accounting Office and the DCPS Accounting Office reported different amounts for al-

lotments, obligations, and unobligated allotments for fiscal year 1971. However, the DCPS Accounting Office did not reconcile the differences. We believe that the systems maintained by the two Offices are unnecessarily duplicative, costly, and ineffective and should be integrated into a single system. (See pp. 17 to 19.)

Recipients of DCPS allotments were not required to review financial reports and to follow up on inaccuracies in the data and/or noted variances in the obligations and allotments. For the most part, such reviews were not made. (See p. 20.)

Required reports to the Superintendent of DCPS on obligations which exceeded allotments were not made in fiscal year 1971. (See p. 21.)

As early as December 31, 1970, the Central Accounting Office records showed major differences, both over and under, between the allotments made by the Office of Budget and Financial Management and the obligations incurred by DCPS. The District Budget Officer did not take action to have the differences resolved until August 1971, or 1 month after the end of the fiscal year. (See p. 21.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The District's Office of Municipal Audits is making a detailed review of DCPS financial practices to ascertain (1) the status of each DCPS allotment for fiscal years 1970 and 1971 and (2) the extent of violations of the Anti-Deficiency Act.

Before GAO began its review, the Superintendent of DCPS recognized deficiencies in the DCPS financial management system and has acted to

correct them. For example:

X --A task force was appointed February 16, 1972, to correct the accounting codes assigned to DCPS employees, to establish an accurate employee count, and to identify any unauthorized personnel. (See p. 14.)

--Obligations incurred for supplies and equipment requisitions filled by the DCPS warehouse were recorded against appropriate allotments more often in fiscal year 1972 than in fiscal year 1971. (See p. 15.)

--Contracts were awarded to Price Waterhouse and Company and Elmer Fox and Company for assistance in improving financial management within DCPS. (See pp. 27 to 29.)

X GAO believes that the actions taken and planned should result in more accurate financial information and in improved financial management within DCPS.

GAO believes also that, to effectively control funds, the Superin-

tendent should:

--Hold the division and department heads accountable for restricting obligations to authorized allotments.

--Require division and department heads to correct inaccuracies in the financial data reported and to follow up on noted variances in the obligations and allotments.

+ --Enforce the requirement that the DCPS Division of Budget and Executive Management review all reported violations of the allotment authority and report the results of its reviews to the Superintendent.

--Require all obligations to be promptly recorded in the accounting records.

--Decide whether to adopt the approved statement of accounting principles and standards for the District Government or to submit a separate statement for approval by the Comptroller General.

CHAPTER 1

INTRODUCTION

In a letter dated July 2, 1971, the Chairman of the Senate Committee on the District of Columbia and the Chairman of the Subcommittee on the District of Columbia, Senate Committee on Appropriations, requested that we review the expenditure of funds by the District of Columbia public schools (DCPS) to determine (1) program funding sources, (2) the extent to which Federal funds were used to support each program activity, (3) the way in which expenditure controls were deficient, (4) the actions being taken to improve expenditure controls, and (5) the changes needed in methods of expenditure control. (See app. I.)

As agreed with the offices of the Chairmen, our review was directed primarily toward evaluating the effectiveness of the controls over funds for fiscal year 1971.

X DCPS is the 12th largest school system in the Nation. For school year 1970-71, it was authorized to employ about 12,650 full-time personnel; had an enrollment of approximately 140,000 students, ranging from prekindergarten through the 12th grade; and provided continuing education to about 17,000 adults.

An elected 11-member Board of Education and a Superintendent appointed by the Board are responsible for the operation of DCPS. The Commissioner of the District of Columbia Government shares in the responsibility for financial matters. Section 31-103 of the District of Columbia Code states:

"The Board shall determine all questions of general policy relating to the schools, shall appoint the executive officers hereinafter provided for, define their duties, and direct expenditures. All expenditures of public funds for such school purposes shall be made and accounted for as now provided by law under the direction and control of the Commissioners of the District of Columbia."

DCPS operations are financed primarily by annual appropriations from the Congress and by grants from Federal

agencies, principally the Department of Health, Education, and Welfare (HEW). DCPS received appropriations of about \$139.8 million for fiscal year 1971, which represented about 22 percent of the total appropriations for the operation of the District Government. In addition, DCPS was awarded about \$27 million in Federal grants, of which about \$20 million was received.

We examined District and DCPS financial policies and procedures and selected accounting records, reports, and transactions to evaluate the adequacy of fund control and the reliability of financial data. We examined also the audit reports on DCPS operations issued by the District's Office of Municipal Audits during fiscal years 1970 and 1971 and certain other reports on DCPS operations by HEW and private firms. We interviewed various District and DCPS officials responsible for the control of DCPS funds.

STATUS OF ACCOUNTING SYSTEM

The accounting system for DCPS has not been approved by the Comptroller General. The Comptroller General approves an accounting system in two stages: first, the statements of accounting principles and standards established to govern the accounting system and second, the design of the system.

On February 18, 1972, the Comptroller General approved the statement of accounting principles and standards for the District Government. The principles and standards are applicable to (1) all accounting performed by organizations under the administrative direction of the Commissioner and (2) accounting affecting the completeness and accuracy of input into the central accounting system performed by agencies, boards, and commissions not under the Commissioner's administrative direction but serviced by the central accounting system.

In approving the District Government's statement, the Comptroller General indicated that he would permit those organizations not under the Commissioner's administrative direction--such as DCPS--to adopt the Commissioner's principles and standards for their internal accounting operations rather than require them to submit separate statements for approval. As of July 31, 1972, DCPS had not adopted the

Commissioner's approved accounting principles and standards for its internal operations pending the resolution of certain modifications which DCPS had requested.

District officials have informed us that they will begin the next phase of accounting system development--the preparation of the system design--in the near future. This phase is expected to result in significant changes in the accounting operations of DCPS and in the related operations of the District's central accounting system.

CHAPTER 2

FUND CONTROL ACCOUNTS AND RELATED REPORTS

The Office of Budget and Financial Management (formerly the Budget Office), District of Columbia Government, is responsible for maintaining budgetary controls over funds appropriated to the District. The Office approves quarterly apportionments and allotments of appropriated funds on the basis of financial plans prepared by District agencies and offices. The financial plans show the planned obligations to be incurred monthly for each allotment for designated categories of expenditure.

The allotment areas approved by the Office for the control of funds apportioned to DCPS during fiscal year 1971 were

- elementary education,
- secondary education,
- vocational education,
- summer school and continuing education,
- special education,
- special projects and model schools,
- instructional services,
- educational support services,
- administrative services, and
- general administration.

The initial allotments made to DCPS by the Office for fiscal year 1971 were generally consistent with the budget categories and amounts presented to and approved by the Congress. However, the Office made major adjustments to the initial allotments without notifying, and obtaining required approval from, the Congress. For example, on June 28, 1971, the allotment for elementary education was reduced by about \$2.5 million, apparently to bring the allotment into agreement with recorded obligations. The Subcommittees on the District of Columbia, Senate and House Committees on Appropriations, require prior notification for approval of re-programings in excess of \$25,000.

The Office of Budget and Financial Management's accounting office, the Central Accounting Office, is responsible

for establishing and maintaining allotment accounts for the fiscal control of all District funds available for expenditure and for preparing financial reports for management use. For appropriated funds, accounts are established for the 10 allotment areas. For Federal grant funds, accounts are established upon receipt of funds from Federal agencies.

A DCPS official told us that the allotment accounts established by the Central Accounting Office and the related financial reports were not detailed enough for effective administration of school activities and that, therefore, DCPS had established its own fund accounting system in fiscal year 1969.

Under the DCPS fund accounting system, appropriated and Federal grant funds are allotted and accounted for by designated activities and classes of expenditures within divisions or departments. Although these detailed allotments--which total about 300--are synchronized with the 10 allotment areas used by the Office of Budget and Financial Management, the amounts allotted for the detailed categories, in aggregate, differed significantly from the amounts allotted by the Office.

Furthermore, the detailed allotments used internally by DCPS were not aligned with the detailed budget classifications in the budget justification presented to and approved by the Congress. Therefore, the monthly reports prepared by DCPS to show, for each of its detailed allotments, the amounts budgeted, amounts obligated to date, unobligated balances, disbursements, and unliquidated obligations could not be used to determine whether the funds had been budgeted or used as the Congress intended.

Price Waterhouse and Company, in a report on its review of DCPS (see p. 36), recommended recasting the DCPS budget into programmatic classifications which would permit it to be used as a control. A DCPS official told us that DCPS plans to implement this recommendation at the beginning of fiscal year 1973 and that, when implemented, the allotments would be directly aligned with the approved budget.

CONCLUSIONS

The changes planned by DCPS to directly align its internal operating budgets with the congressionally approved budget in 1973 should permit a determination of whether the funds have been used as the Congress intended. See pages 20 to 22 for a discussion of the need for management review of obligations.

The Commissioner should request approval for necessary reprogramming of funds from the appropriate congressional Committees, as required by those Committees.

CHAPTER 3

DEFICIENCIES IN ACCOUNTING DATA AND IN FUND CONTROL

An accounting system, an integral part of financial management, serves as the basis for preparing and supporting an agency's budget request, for controlling the execution of the budget, for reporting satisfactorily on the custody and use of resources, for effectively evaluating past performance, and for planning future operations. To be effective it should provide for

- full disclosure of the financial results of the agency's activities,
- essential and accurate financial and statistical data for management purposes, and
- effective control over and accountability for all funds for which the agency is responsible.

Our review showed that the systems for accounting for DCPS funds did not meet the above requirements. Costs charged to designated activities were inaccurate, and little effort was made to restrict obligations to budgetary and administrative authorizations.

In our opinion, the deficiencies in the accounting data and in fund control resulted, in large part, because (1) well-defined financial management policies and procedures had not been developed, (2) obligation transactions had not been recorded promptly, (3) reported financial data had not been reviewed, (4) noted variances had not been followed up, and (5) assigned accountability responsibilities had not been enforced.

INACCURATE SALARY CHARGES

Personnel compensation and benefits amounted to about \$134 million, or about 84 percent of DCPS operating expenses in fiscal year 1971. The total salary paid to an individual employee is charged in accordance with a predetermined accounting code assigned to that employee. This code identifies, among other things, the fund, the allotment, the

activity, and the class of expenditure to which salary costs are to be charged.

Because positive reporting was not made on the activity or activities for which each employee actually worked, we could not test the accuracy of fiscal year 1971 salary charges. At our request, however, the principals of 31 schools--12 regular elementary schools, seven regular secondary schools, six model schools, three Anacostia project schools, one community project school, one vocational school, and one special education school--provided us with a roster of all full-time employees, except food service personnel, assigned to their schools as of September 30, 1971 (fiscal year 1972).

Each employee was identified by name, position, activity to which he or she was assigned, and the source of the funds used to pay his or her salary. We compared this information with a DCPS report showing the accounting code to which each DCPS employee's salary had been charged in September 1971.

An incorrect accounting code was assigned to 9 percent of the 1,627 employees included in our comparison. Although our comparison was based on fiscal year 1972 information, our review showed that factors contributing to the error rate of 9 percent also existed in fiscal year 1971. Considering that fiscal year 1971 personnel costs amounted to about \$134 million, an error rate of 9 percent would have had a significant effect on the accuracy of the financial data reported for that year. Following are examples of the types of accounting code errors noted.

- The salary of an employee had been inappropriately charged to title I grant funds instead of appropriated funds (incorrect fund charged).
- The salary of an employee assigned to secondary education had been charged to elementary education (incorrect allotment charged).
- The salary of an employee assigned to early childhood education had been charged to the general elementary curriculum (incorrect activity charged).

The following table summarizes the results of our comparison.

Organizational element	Number of employees tested	Incorrect ac- counting codes assigned to employees		Type of error		
		Number	Percent	Incorrect fund	Incorrect allotment	Incorrect activity
Elementary educa- tion	356	43	12.1	16	37	33
Secondary education	425	33	7.8	16	29	28
Model school	312	17	5.5	5	14	15
Anacostia community schools	204	24	11.8	4	20	24
Buildings and grounds	226	-	-	-	-	-
Pupil personnel	18	2	11.1	-	1	2
Special education	22	22	100.1	-	18	22
Vocational education	40	2	5.0	-	-	2
Special projects	<u>24</u>	<u>3</u>	<u>12.5</u>	<u>-</u>	<u>2</u>	<u>3</u>
Total	<u>1,627</u>	<u>146^a</u>	<u>9.0</u>	<u>41</u>	<u>121</u>	<u>129</u>

^aThe accounting codes for 116 of the 146 employees contained two or more errors.

To determine why incorrect accounting codes had been assigned, we selected for further review 69 employees who had been assigned incorrect accounting codes. As part of this review, we examined the documents used by DCPS to establish or change employees' accounting codes.

It appears that the majority of the errors in the accounting codes were caused by (1) failures to change the assigned accounting codes when employees were reassigned, (2) errors in preparing the forms used to establish or change accounting codes, or (3) time lags between reassigning employees and adjusting the payroll records. The failures to change the assigned accounting codes when employees were reassigned were the predominant cause.

DCPS officials attributed the 100-percent error rate for the Division of Special Education to a major reorganization of the division in July 1971. They stated that the reorganization had resulted in transferring personnel into and within the division, which had caused problems in accounting for the salary charges.

DCPS had no comprehensive procedures outlining when the accounting codes should be changed or requiring that the accounting codes be checked periodically for accuracy. We believe that the lack of such procedures was the basic cause of the incorrect accounting codes.

Furthermore, DCPS' practice of charging salary costs in accordance with predetermined accounting codes lends itself to inaccurate charges because the salary charges can be accurate only for employees who spend 100 percent of their time in the areas identified by the accounting codes. A DCPS official informed us that it was not uncommon for employees to work on more than one program or to be detailed outside their regularly assigned areas of responsibility.

On February 16, 1972, the Superintendent of DCPS appointed a 22-man task force to take a census of all DCPS employees. The coordinator of the task force informed us that the primary objectives of the census were (1) to correct the accounting codes, (2) to establish an accurate employee count, and (3) to identify unauthorized personnel, if any.

Conclusions

In our opinion, the action being taken by DCPS to correct the accounting codes is a significant step toward improving the accuracy of financial information. However, to insure the continued accuracy of the accounting codes after they are corrected, procedures should be implemented to report changes in the accounting codes and to review the codes regularly for accuracy. Also DCPS should identify the extent that employees work in more than one program area or in areas outside their regularly assigned areas. If warranted by that review, the employees or their supervisors should be required to report the actual time spent in various areas. Such reports would provide a sound base for making appropriate charges to funds, programs, and activities.

DELAY IN RECORDING OBLIGATIONS

DCPS operates a central warehouse for supplies and equipment. When supplies and equipment are ordered for the warehouse inventory, the obligations are recorded in a DCPS warehouse account. After requisitions from departments and schools are filled from the warehouse inventory, the obligations for the amount of goods issued are transferred from the warehouse account to the appropriate allotment accounts.

For fiscal year 1971 the accounting entry effecting this transfer was made toward the end of the year rather than periodically throughout the year. We noted that a transfer document dated May 27, 1971, had been prepared by the DCPS Accounting Office to transfer obligations of \$1.2 million from the warehouse account to appropriate allotment accounts. Although the period during which the requisitions had been filled by the warehouse was not identified on the transfer document, an official in the DCPS Procurement Management Office told us that the total value of requisitions filled by the warehouse ranged from \$1.2 million to \$1.5 million annually. Therefore, the transfer probably covered requisitions from the beginning of the fiscal year.

Our analysis of the May 27, 1971, transfer document showed that, of the 176 accounts which had been charged for supplies and equipment, 11 had amounts charged which exceeded their allotments by a total of about \$113,000. Because the obligations to the individual allotment accounts were not promptly recorded, the officials responsible for controlling the applicable allotments could not have known, by reviewing the monthly financial reports, about the overobligations.

DCPS apparently has recognized the need for recording obligations for warehouse issues against the appropriate allotment accounts more often than once a year because, in fiscal year 1972, accounting documents for transferring obligations from the warehouse account to appropriate allotment accounts were dated September 9, 1971, December 17, 1971, and February 1, 1972.

The delay in recording obligations in the appropriate allotments is not limited to warehouse issues. The Office of Municipal Audits reported that its audit, as of March 31, 1972, showed that about \$557,000 of fiscal year 1971

obligations had not been recorded in the fiscal year 1971 accounts. (See p. 23.)

Conclusions

Although the value of supplies and equipment issued by the warehouse is now being recorded in the allotment accounts more often than in fiscal year 1971, we believe that charges for inventory issuances should be recorded at least monthly. Obligations for the procurement of goods and services should be recorded in the accounting records as soon as they are incurred.

INADEQUATE CONTROL OVER FUNDS

The District Government operates two systems for maintaining control over appropriated and grant funds for DCPS-- one by the District Central Accounting Office and the other by the DCPS Accounting Office.

The reports of these two Offices on the status of funds showed different amounts for allotments, obligations, and unobligated allotments for appropriated and grant funds, as shown by the following tables.

Status of Fiscal Year 1971 Appropriated Funds as of June 30, 1971, After Yearend Adjustments, as Reported by the Central Accounting Office and by the DCPS Accounting Office

	<u>Allotments</u>	<u>Obligations</u>	<u>Unobligated allotments</u>
Reported by the DCPS Accounting Office	\$141,072,523	\$142,951,555	\$-1,879,032
Reported by the Central Accounting Office (note a)	<u>141,514,017</u>	<u>141,708,611</u>	<u>-194,594</u>
Differences	\$ <u>441,494</u>	\$ <u>1,242,944</u>	\$ <u>-1,684,438</u>

^aThese amounts include about \$1.8 million of estimated reimbursements for services provided by DCPS which are not included in the District's fiscal year 1971 financial statements.

Appendix II contains a list of allotments, obligations, and unobligated allotments for each of the 10 allotment areas (see p. 8) and shows that different amounts were reported by the two Offices for each allotment area.

Status of Fiscal Year 1971 Federal Grant Funds as of
June 30, 1971, After Yearend Adjustments, as Reported
by the Central Accounting Office
by the DCPS Accounting Office

	<u>Allotments</u>	<u>Obligations</u>	<u>Unobligated allotments</u>
Reported by the DCPS Accounting Office	\$26,989,531	\$22,863,108	\$4,126,423
Reported by the Cen- tral Accounting Of- fice	<u>20,451,265</u>	<u>18,161,128</u>	<u>2,290,137</u>
Differences	<u>\$ 6,538,266</u>	<u>\$ 4,701,980</u>	<u>\$1,836,286</u>

Appendix III contains a detailed comparison of the allotments, obligations, and unobligated allotments reported by the two Offices for the fiscal year 1971 Federal grants.

Following are some possible reasons for a number of the differences shown in appendixes II and III.

✓ Appropriated funds--The aggregate of the allotments made by DCPS for each allotment area (see p. 8) did not agree with the corresponding allotments made by the Office of Budget and Financial Management for these allotment areas or the total allotments for all such areas.

✓ Federal grant funds--The DCPS procedures provide for establishing allotments for grants at the time each grant award document is received. The Central Accounting Office, however, established grant allotments for the amounts of actual grant moneys received which, at the end of the fiscal year, could be significantly less than the amounts stated in the grant award documents.

Appropriated and Federal grant funds--DCPS and the Central Accounting Office performed separate keypunch and editing functions to record obligations against all classes of expenditures, except personnel compensation and personnel benefits. As a result, the potential for error was increased.

DCPS had made no attempts to reconcile the differences discussed above or to identify the causes for the differences. Price Waterhouse and Company reported that reconciliation of appropriated fund transactions recorded in the two systems for October and November 1971 showed, among other things, that:

XX --Transactions had been corrected or rejected by the Central Accounting Office without properly notifying DCPS.

--Transactions had been recorded by one Office but not the other.

--Coding modifications had been made after transaction data had been submitted to the Central Accounting Office.

--Accounting codes had been transcribed incorrectly.

Price Waterhouse recommended that DCPS implement the procedures developed during its review for reconciling the differences reported by the two Offices.

Conclusions

The present separate systems maintained by the Central Accounting Office and the DCPS Accounting Office for controlling appropriated and grant funds cause unwarranted duplication and require unnecessary time-consuming and costly effort to reconcile the accounts in the two systems.

This situation should be corrected when the District revises its accounting system to implement the accounting principles, standards, and related requirements prescribed by the Comptroller General. We believe that, in the interim, District and DCPS officials should decide on a single system for providing allotment and obligation information required by the District and DCPS management.

NEED TO EXERCISE BASIC
FUND CONTROL TECHNIQUES

The heads of the various divisions and departments which receive allotments made by DCPS are responsible for insuring that funds obligated are used for the intended purpose, are properly charged, and are not in excess of the allotments.

Our analysis of a DCPS report on the status of fiscal year 1971 appropriated and Federal grant funds as of December 31, 1971, showed that, for 96 of about 300 activities, obligations exceeded allotments by about \$11 million. For example, obligations totaling about \$240,000 were charged to the drivers education program, secondary education, whereas only about \$41,700 had been allotted for that program.

Our analysis also showed that obligations totaling about \$2 million had been charged to 90 activities for which no funds had been allotted. For example, appropriated funds of \$164,391 for salaries and benefits and \$2,963 for supplies and materials were charged to the evening school program of the Department of Summer School and Continuing Education, even though the Department had not received an allotment of appropriated funds to operate an evening school program.

The charging of obligations to an activity in excess of the amount allotted or to an activity for which no allotment had been made could have resulted from operating a program above the approved level, operating an unapproved program, or making an error in the assigned accounting code. Although funds may have been used for unapproved purposes, we believe that, to a large extent, the charging of obligations to an unauthorized activity and to an activity in excess of the authorized amount resulted from errors in the accounting codes. As discussed on page 12, we found an overall error rate of 9 percent in the codes used to record salary costs in the financial records.

The Division of Budget and Executive Management, which is responsible for making allotments within DCPS, had not required the recipients of allotments to review the financial reports and to follow up on inaccuracies in the reported

data and/or noted variances between obligations and allotments. Several of the division and department heads informed us that, for the most part, such reviews had not been made.

X The DCPS Division of Budget and Executive Management is required by a procedure established June 30, 1969, to report to the Superintendent when an obligation exceeds the allotment--an administrative violation. The procedure requires, among other things, that the report (1) identify the fund involved and the name and position of the person responsible, (2) describe the causes of and circumstances surrounding the violation, and (3) include a statement on the adequacy of the system established for administrative control.

Such reports were not prepared during fiscal year 1971. Our analysis of the reported financial data, as noted above, showed many instances where obligations exceeded allotments. The Chief of the Division of Budget and Executive Management told us that reports had not been prepared because the financial data was too inaccurate to be of use in identifying violations. In our opinion, the knowledge that financial data is inaccurate makes it even more important to review the data and to trace errors to their source so that corrective action can be taken.

As early as December 31, 1970, the Central Accounting Office's records showed major differences, both over and under, between the funds allotted to and the obligations incurred by DCPS. However, the District Budget Officer did not have the differences resolved until August 1971, or over 1 month after the end of the fiscal year. At that time the records showed that, as of the end of fiscal year 1971, the apportionment of appropriated funds to DCPS had been overobligated by \$2.4 million. The Budget Officer reminded the Superintendent of the provisions of the Anti-Deficiency Act and stated that the overobligations must be resolved and brought within the amounts apportioned by August 10, 1971.

Subsequently, DCPS reviewed the accounts and made various adjustments, including transfers to grant funds of obligations that had initially been recorded against appropriated funds, which reduced the reported overobligations to about \$195,000. The Office of Municipal Audits plans to inquire

into the validity of the yearend adjustments during its current audit of DCPS. (See p. 29.)

Anti-Deficiency Act violations

The Anti-Deficiency Act (31 U.S.C. 665) was enacted in response to a need in the Federal Government for effective control over the use of appropriated funds to prevent obligations in excess of appropriations and the consequent need for supplemental appropriations. The act contains various provisions concerning the apportionment and obligation of appropriations and procedures to be followed when those provisions have been violated. Provisions of the act follow.

"No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purposes, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law."

* * * * *

"Any appropriation which is apportioned or reapportioned pursuant to this section may be divided and subdivided administratively within the limits of such apportionments or reapportionments. The officer having administrative control of any such appropriation available to *** the District of Columbia *** shall prescribe, by regulation, a system of administrative control *** which shall be designed to (A) restrict obligations or expenditures against each appropriation to the amount of apportionments or reapportionments made for each such appropriation, and (B) enable such officer *** to fix responsibility for the creation of any obligation or the making of any expenditure in excess of an apportionment or reapportionment."

* * * * *

"In case of a violation *** the Commissioners of the District of Columbia, shall immediately report to the President through the Director of the Office of Management and Budget, and to the Congress all pertinent facts together with a statement of the action taken thereon."

X These provisions stipulate that obligations or expenditures not exceed either the amounts appropriated or the amounts apportioned or reapportioned from them. In our letter to the Chairman of the Subcommittee on the District of Columbia, Senate Committee on Appropriations, dated March 13, 1972, we stated that the District's official financial report for fiscal year 1971 showed that DCPS had overobligated its apportionments by about \$195,000.

Moreover, during our current review of DCPS, we noted that obligations totaling about \$169,000 for goods and services received in fiscal year 1971 had not been charged to the fiscal year 1971 allotments. Instead, the obligations were charged to and paid with fiscal year 1972 appropriated funds. In our opinion, these actions not only constituted a violation of the Anti-Deficiency Act but also were contrary to section 1 of the act of July 6, 1949 (31 U.S.C. 712a) which states:

"Except as otherwise provided by law, all balances of appropriations contained in the annual appropriation bills and made specifically for the service of any fiscal year shall only be applied to the payment of expenses properly incurred during that year, or to the fulfillment of contracts properly made within that year."

We brought these violations of the Anti-Deficiency Act to the attention of the Office of Municipal Audits for consideration during its current review of DCPS. The Office's review, as of March 31, 1972, showed that about \$557,000 of fiscal year 1971 obligations had been charged against fiscal year 1972 appropriated funds.

We also stated in our letter of March 13, 1972, that the Commissioner had not prescribed a system of administrative control of funds. In June 1972, however, the Commissioner issued interim written instructions on the execution of the budget. The instructions covered requirements for financial plans, apportionments, reapportionments, reserves, systems for administrative control of funds, allotments, operating budgets, reports on budget execution, and reports on violations of the Anti-Deficiency Act. Further, the instructions stated that each agency or office head is responsible for maintaining obligations and expenditures within authorized amounts.

Conclusions

In our opinion, the major deficiencies in fund control resulted from (1) the lack of appropriate action by responsible officials when data produced by the accounting systems disclosed that allotments had been, or might be, exceeded and (2) the lack of adequate internal controls in both the DCPS and the central accounting systems.

The budget execution instructions issued by the Commissioner, when fully implemented, should result in more management attention to the status of allotment accounts. The instructions require the head of each agency to prescribe a system for the administrative control of funds.

INTERNAL AUDIT

Internal audit, which should complement other elements of management control, can provide a valuable service to management by reviewing, appraising, and reporting on the extent and nature of internal compliance with management's policies, plans, and procedures and by reviewing accounting and related data to determine its reliability and usefulness.

The Office of Municipal Audits is responsible for reviewing the operations of DCPS and other District departments and agencies. In February 1968 we reported to the Commissioner that the Office of Municipal Audits would be more effective and of greater assistance to top management if it (1) made more comprehensive reviews, (2) placed increased emphasis on evaluations of operating efficiency and economy, and (3) identified the basic causes of deficiencies. We believe that, although some improvements in the reviews have been made since then, a need still exists for strengthening the internal audit function.

Our review of the 11 internal audit reports issued in fiscal years 1970 and 1971 on DCPS operations showed that, for the most part, the reviews were of limited scope and that the recommendations in the reports were directed at correcting individual deficiencies and not toward correcting the underlying causes. Also the overall reliability and usefulness of accounting and related data was not questioned.

An official of DCPS told us that DCPS had not been completely satisfied with the scope of the internal audit reviews and that efforts were being directed toward developing an internal audit capability within DCPS.

Conclusions

In our opinion, the District should have only one internal audit organization. A single organization facilitates the attraction and retention of high-quality professional personnel, effective staff utilization, and maximum coordination of audits and related findings. In addition, a single organization permits the concentration of staff time on specific assignments and provides opportunities for tailoring staff assignments to the talents and experience of staff members.

Thus, we believe that the establishment of an internal audit capability within DCPS is not the most effective and efficient method of obtaining the necessary audit coverage. Instead, the Commissioner should direct the Director of Municipal Audits to expand audit coverage within DCPS and to give due consideration to the Superintendent's financial management requirements.

The Commissioner took a first step toward strengthening internal audit by issuing an order on July 14, 1972, which established in the Executive Office of the District Government an Office of Municipal Audit and Inspection. The Director of this Office will report directly to the Commissioner. The Office is to design and administer an effective audit and inspection service for the District Government and related agencies.

The order prohibits any agency from establishing its own audit unit without the approval of the Commissioner.

CHAPTER 4

ACTIONS TAKEN FOR IMPROVING THE

FINANCIAL MANAGEMENT SYSTEM

Prior to the start of our review, the Superintendent of DCPS recognized that inadequacies in DCPS' financial management system had led to mismanagement of its resources. He identified 16 noneducational objectives, many of which were directed toward improvements in the DCPS financial management system, that he hoped to achieve during school year 1971-72.

We requested the Superintendent to advise us of the status of the noneducational objectives which we considered the most significant in terms of being responsive to the need for financial management improvements. Appendix IV summarizes information included in the Superintendent's response dated January 28, 1972.

Among the most significant actions taken by DCPS to correct the inadequacies in financial management has been the awarding of contracts to (1) Price Waterhouse and Company for recommendations to improve financial management and (2) Elmer Fox and Company to design and develop a financial management system for grant administration. In addition, the Commissioner directed the Office of Municipal Audits to review DCPS' financial practices.

PRICE WATERHOUSE REVIEW

X ✓ ✓
On September 13, 1971, DCPS awarded a contract to the accounting firm of Price Waterhouse and Company to:

- Design an effective system for program budget preparation, approval, modification, and administration.
- Develop recommendations for improving the effectiveness and efficiency of support systems, i.e., accounting and financial control, personnel and payroll, and automated data processing services.

- Develop recommendations for short-term improvements in the information systems used by the Superintendent, Vice Superintendent, and Associate Superintendents.

Price Waterhouse reported the results of its review to the Superintendent on January 31, 1972. Although we did not make a detailed analysis of the Price Waterhouse report, we noted that it substantiated many of the weaknesses we had identified during our review. More specifically, the report commented on the inaccuracies in the financial data reported, the failure to reconcile the differences in the financial data reported by the Central Accounting Office and by the DCPS Accounting Office, and the lack of well-defined policies and procedures for financial management.

During its review, Price Waterhouse sent the Superintendent 28 memorandums outlining its recommendations as it developed them. (See app. V for a list of the memorandums.) Further, the Price Waterhouse report listed the following seven recommendations as having the highest priority.

1. Retain a Deputy Superintendent for Management Services.
2. Maintain the interim personnel control system and implement an automated personnel control system.
3. Further improve and install the new process for reconciling DCPS accounts with those of the Central Accounting Office.
4. Modify procedures for processing personnel transactions.
5. Revise accounting codes and develop fiscal coding policies and procedures.
6. Develop and implement source document controls.
7. Establish financial reporting responsibilities.

The Superintendent appears to be receptive to the findings and recommendations in the report and to be relying

x x
heavily on the report in improving the DCPS financial management system. On March 14, 1972, DCPS awarded a contract to Price Waterhouse to provide technical assistance to DCPS in implementing recommendations 2 through 7 above.

Price Waterhouse reported that the recommendations in 21 of the memorandums could be implemented within 1 year but recognized that the extent to which they could be implemented would be partially determined by the number of DCPS personnel that could be committed toward that goal. Price Waterhouse estimated that implementation of the recommendations within 1 year would require reassigning some DCPS personnel and hiring about 11 permanent and 19 temporary employees.

ELMER FOX AND COMPANY REVIEW

x x
DCPS awarded a contract to Elmer Fox and Company on September 15, 1971, to design and develop an integrated financial management system for grant administration. Under this contract, Elmer Fox developed a Federal Grant Procedures Manual which (1) defined the responsibilities of each of the DCPS organizational elements directly involved in administering Federal grants and (2) established detailed procedures and designed reporting forms for use by these organizational elements in carrying out their respective responsibilities.

In its report dated February 14, 1972, Elmer Fox pointed out that DCPS should determine the reporting requirements at all levels of management and should design reports to meet these needs.

On February 23, 1972, a Board of Education official told us that the Federal Grant Procedures Manual and the related report had been given to the Board's Budget Committee for its consideration.

OFFICE OF MUNICIPAL AUDITS REVIEW

In addition to the actions taken by the Superintendent, a review of the financial practices of DCPS is currently being made by the Office of Municipal Audits. This review, which was initiated on February 14, 1972, is directed toward ascertaining (1) the status of each DCPS allotment for fiscal

years 1970 and 1971 and (2) the existence and extent of violations of the Anti-Deficiency Act.

Violations of the Anti-Deficiency Act which we noted during our review (see p. 23) were brought to the attention of the Office of Municipal Audits for its consideration in determining the extent to which such violations had occurred.

CONCLUSIONS

In our opinion, the Superintendent's recognition of inadequacies in the financial management system and the actions that have been taken and recommended should result in more accurate financial information and in improved financial management within DCPS.

However, additional actions are needed for effective control of funds. The Superintendent should:

1. Hold the division and department heads accountable for restricting obligations to authorized allotments.
2. Require that division and department heads correct inaccuracies in the financial data reported and follow up on noted variances in the obligations and allotments.
3. Enforce the DCPS procedures (see p. 21) requiring the Division of Budget and Executive Management to review all reported violations of the allotment authority and to report the results of its reviews to the Superintendent.

The Superintendent should decide whether to adopt the approved statement of accounting principles and standards for the District Government or to submit a separate statement to the Comptroller General for approval.

THOMAS F. EAGLETON, MO., CHAIRMAN
DANIEL K. INOUE, HAWAII CHARLES MC C. MAT. .. MD.
ADLAI E. STEVENSON III, ILL. LOWELL P. WEICKER, JR., CONN.
JOHN V. TUNNEY, CALIF. JAMES L. BUCKLEY, N.Y.

ROBERT HARRIS, STAFF DIRECTOR
GENE E. GODLEY, GENERAL COUNSEL

United States Senate

COMMITTEE ON
THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20510

July 2, 1971

Honorable Elmer B. Staats
Comptroller General of the
United States
General Accounting Office
General Accounting Office Building
441 G Street
Washington, D. C. 20548

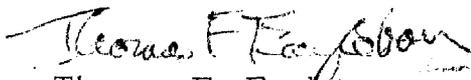
Dear Mr. Staats:

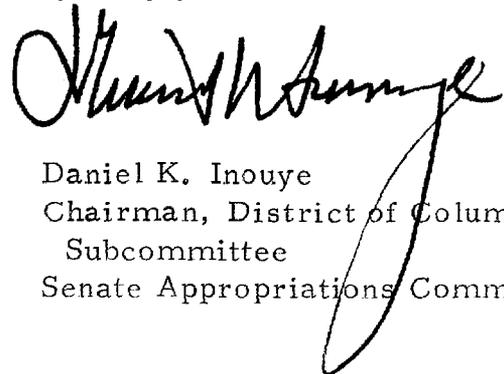
It would be greatly appreciate if you would have your staff conduct an audit of the expenditure of funds by the Public Schools of the District of Columbia with the view to assuring that systematic internal controls are being developed which will facilitate sound financial management practices.

Such an audit should indicate (1) what funds are being utilized for what programs; (2) the extent to which federal funds are used to support each activity; (3) if appropriate, in what way present methods of control are deficient; and (4) what changes you would recommend in present methods of expenditure control.

Please keep us informed of the progress of your audit. If you have any questions regarding this request, do not hesitate to contact us.

Very truly yours,


Thomas F. Eagleton
Chairman,
Senate District of Columbia
Committee


Daniel K. Inouye
Chairman, District of Columbia
Subcommittee
Senate Appropriations Committee

APPENDIX II

STATUS OF FISCAL YEAR 1971 APPROPRIATED FUNDS
AS OF JUNE 30, 1971, AS REPORTED BY
THE CENTRAL ACCOUNTING OFFICE AND BY
THE DCPS ACCOUNTING OFFICE

Allotment areas	Reported by Central Accounting Office			Reported by DCPS Accounting Office		
	Allotments	Obligations	Unobligated allotments	Allotments	Obligations	Unobligated allotments
Elementary education	\$ 41,018,556	\$ 41,033,947	\$ -15,391	\$ 42,693,700	\$ 42,055,396	\$ 638,304
Secondary education	29,137,757	29,154,836	-17,079	30,544,064	29,121,128	1,422,936
Vocational education	4,089,175	4,506,271	-417,096	5,434,267	4,644,682	789,585
Summer school and continuing education	2,299,577	2,821,959	-522,382	2,546,918	2,672,166	-125,248
Model school and special projects	19,309,511	18,897,168	412,343	17,593,200	18,865,437	-1,272,237
Special education	4,102,348	2,592,500	1,509,848	3,501,454	3,254,663	246,791
Instructional services	8,394,172	8,882,469	-488,297	8,811,108	7,772,968	1,038,140
Educational support services	4,877,018	4,845,088	31,930	3,953,217	4,834,685	-881,468
Administrative services	26,246,403	27,904,238	-1,657,835	25,007,095	28,673,219	-3,666,124
General administration	<u>2,039,500</u>	<u>1,070,135</u>	<u>969,365</u>	<u>987,500</u>	<u>1,057,211</u>	<u>-69,711</u>
Total	<u>\$141,514,017^a</u>	<u>\$141,708,611</u>	<u>\$ -194,594</u>	<u>\$141,072,523</u>	<u>\$142,951,555</u>	<u>-\$1,879,032</u>

^a Includes estimated reimbursements of about \$1.8 million.

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APPENDIX III

STATUS OF FISCAL YEAR 1971 FEDERAL GRANT FUNDS

AS OF JUNE 30, 1971, AS REPORTED BY

THE CENTRAL ACCOUNTING OFFICE AND BY

THE DCPS ACCOUNTING OFFICE

Federal grant funding sources	Reported by Central Accounting Office			Reported by DCPS Accounting Office		
	Allotments	Obligations	Unobligated allotments	Allotments	Obligations	Unobligated allotments
HEW:						
Impact Aid (Public Law 81-874)	\$ 3,288,699	\$ 7,155,195	-\$3,866,496	\$ 7,738,430	\$ 7,257,751	\$ 480,679
Elementary and Secondary Education Act of 1965 (ESEA), title I	6,701,417	1,935,235	4,766,182	6,182,334	3,894,913	2,287,421
ESEA, title II	196,761	136,826	59,935	262,348	151,979	110,369
ESEA, title III	638,672	294,285	344,387	678,661	521,636	157,025
ESEA, title IV	1,091,750	408,038	683,712	2,090,814	1,228,727	862,087
ESEA, title V	136,156	42,402	93,754	287,376	78,622	208,754
ESEA, title VI	200,000	68,555	131,445	200,000	86,838	113,162
ESEA (Public Law 89-750)	997,266	1,020,017	-22,751	710,179	1,048,038	-337,859
ESEA (Public Law 89-313)	300,000	268,577	31,423	451,157	398,647	52,510
Fellowships (Public Law 85-926)	64,395	36,931	27,464	70,395	41,902	28,493
Teacher Corps Higher Education Act of 1965	224,698	115,942	108,756	372,761	325,176	47,585
Education Professions Development Act (Public Law 90-35)	384,114	325,481	58,633	291,762	269,534	22,228
National Defense Education Act (Public Law 85-864)	167,121	194,718	-27,597	129,625	132,590	-2,965
Civil Defense Act (Public Law 81-230)	10,212	27,880	-17,668	37,735	41,839	-4,104
Civil Rights Act of 1964 (Public Law 88-352)	-	14,462	-14,462	-	18,268	-18,268
Vocational Education Act Follow-Through (Nichols) (Public Law 88-452)	-	39,503	-39,503	313,648	430,645	-116,997
Pre-School (Model-Anacostia) (Public Law 88-452)	-	123,954	-123,954	232,500	200,075	32,425
	<u>341,891</u>	<u>750,974</u>	<u>-409,083</u>	<u>832,445</u>	<u>929,945</u>	<u>-97,500</u>
Total HEW	<u>14,743,152</u>	<u>12,958,975</u>	<u>1,784,177</u>	<u>20,882,170</u>	<u>17,057,125</u>	<u>3,825,045</u>
Office of Economic Opportunity:						
Food Service Study Grant	106,573	36,067	70,506	106,573	38,646	67,927
Job Development Program	2,568	1,770	798	2,567	8,892	-6,325
Total Office of Economic Opportunity	<u>109,141</u>	<u>37,837</u>	<u>71,304</u>	<u>109,140</u>	<u>47,538</u>	<u>61,602</u>
Department of Labor:						
Work Incentive Program	110,103	260,633	-150,530	470,447	433,541	36,906
Manpower Development Act	1,639,580	1,114,211	525,369	1,001,168	941,394	59,774
Total Department of Labor	<u>1,749,683</u>	<u>1,374,844</u>	<u>374,839</u>	<u>1,471,615</u>	<u>1,374,935</u>	<u>96,680</u>
Department of Agriculture:						
School Lunch Program	3,578,194	3,462,212	115,982	3,697,677	3,598,847	98,830
Department of Housing and Urban Development	271,095	326,980	-55,885	817,222	782,889	34,333
Department of Transportation	-	280	-280	11,707	1,774	9,933
Total Federal grants	<u>\$20,451,265</u>	<u>\$18,161,128</u>	<u>\$2,290,137</u>	<u>\$26,989,531</u>	<u>\$22,863,108</u>	<u>\$4,126,423</u>

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APPENDIX IV

STATUS OF THE SUPERINTENDENT'S OBJECTIVES FOR
IMPROVING THE FINANCIAL MANAGEMENT IN DCPS AS REPORTED

BY THE SUPERINTENDENT ON JANUARY 28, 1972

<u>Objective</u>	<u>Pertinent comments</u>	<u>Estimated completion date</u>
1. Develop and implement an integrated comprehensive system for fiscal management.	Implementation will start with creating and filling the position of Deputy Superintendent for Fiscal Management. The creation of this position was recommended by Price Waterhouse.	June 1973
2. Design an improved information system to facilitate planning and decision-making	Attainment of this goal depends on filling the approved position of Associate Superintendent for Planning, Research, and Evaluation.	September 1972
3. Decentralize certain administrative functions.	A decentralization plan has been approved by the Superintendent and is ready for implementation.	Summer of 1972
4. Reorganize various divisions (personnel; planning, research, and evaluation; and Federal programs).	1. Personnel--Recommendations of Price Waterhouse regarding the reorganization are under review by the Superintendent.	1. End of fiscal year 1972
	2. Planning, research, and evaluation--Reorganization is dependent on the placement of an Associate Superintendent for Planning, Research, and Evaluation.	2. December 1972
	3. Federal program--Reorganization has been completed.	3. Completed
5. Reexamine and redefine the functions, responsibilities, and areas of accountability of officers in the Superintendent's Council.	As of October 11, 1971, the officers of the Superintendent's Council had submitted statements on their functions, responsibilities, and operational areas to the Superintendent.	Completed
6. Install an automated personnel accounting system.	The design of this system has been completed, and the system is expected to be fully operational for general schedule and wage board employees by early March. Teachers Salary Act employees will be included later.	Early fiscal year 1973
7. Issue an administrative handbook to all personnel.	The first draft of the handbook is expected from a staff committee by March 31, 1972.	Mid-June 1972

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PRICE WATERHOUSE MEMORANDUMS SENT
TO THE SUPERINTENDENT OF DCPS

<u>Date of memorandum</u>	<u>Recommendation</u>
11-18-71	Establish the position of Deputy Superintendent for Management Services
11-24-71	Centralize preparation of personnel actions
11-28-71	Implement an automated personnel control system
11-29-71	Implement an interim personnel control system
11-29-71	Establish an orientation course for new employees
11-30-71	Consolidate reports of teacher absences and substitute teacher service
12- 1-71	Document all personnel actions
12- 1-71	Make short-term improvements in time and attendance reporting
12- 1-71	Study the utilization of office space in the Presidential Building
12- 2-71	Redesign and consolidate personnel and payroll forms
12- 8-71	Control and monitor assignments and directives issued by the Superintendent
12-15-71	Reduce the amount of redundant recording and review processing of source documents
12-15-71	Develop an accounting procedures manual
12-15-71	Modify personnel and related benefits object codes

APPENDIX V

<u>Date of memorandum</u>	<u>Recommendation</u>
12-15-71	Improve the automated editing process in the DCPS fiscal accounting system
12-15-71	Conduct a management seminar in methods and procedures for performing feasibility studies on the more efficient and productive use of resources
12-31-71	Develop an automated monthly financial plan reporting capability
12-31-71	Establish a reconciliation process in the DCPS Department of Finance to reconcile DCPS accounts with those of the Central Accounting Office
1- 3-72	Standardize and automate special report requirements
1- 3-72	Establish document control procedures
1- 3-72	Develop coding policies and procedures
1- 3-72	Establish a Computer Systems Steering Committee
1- 3-72	Develop a long-range computer systems development plan
1- 3-72	Develop controls for utilizing computer facilities
1-13-72	Revise coding which determines school, allotment, and activity cost reporting
1-13-72	Recast the budget into programmatic classifications
1-13-72	Begin a cost reduction project to reduce fiscal year 1972 costs
1-17-72	Upgrade the financial planning and control function and implement additional financial control operations